



American Federation of Government Employees (AFL-CIO)

March 29, 2018

Honorable Cathy Stepp
Regional Administrator
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd
Chicago, Illinois 60604

Dear Regional Administrator Stepp:

We were greatly relieved by Congress' recent inclusion of \$8.1 billion, plus an additional \$763 million for infrastructure and Superfund, for EPA's FY 2018 budget. This budget will give our hard working men and women the tools they need to fulfill our mission to protect human health and the environment.

Also recognized in the bill was the need to remain close to the communities we serve. This was stated in the explanatory statement: "Committees do not expect the Agency to consolidate or close any regional offices in fiscal year 2018," and "does not include any of the requested funds for workforce reshaping."

The Grosse Ile, Michigan office had been expected to close and be consolidated to Ann Arbor in FY 2018. With Congress' intent that we remain in the communities we serve, the Large Lakes Research Station at Grosse Ile is a prime example of working in, with and for the community. In recent years, Station personnel have lead cleanups at more than 100 hazardous waste sites and major events including the Enbridge pipeline spill, Dow dioxin cleanup, and the Flint drinking water crisis. The Station's Criminal Investigation Division has secured convictions involving the illegal storage and disposal of hazardous waste, the improper removal of asbestos, the illegal export of electronic waste, public corruption, and EPA program fraud. In addition, Grosse Ile personnel have laid the groundwork for cleanup of the Rouge River, a Great Lakes Area of Concern.

From its start in the 1920s as Naval Air Station Grosse Ile through the 1960s as a laboratory for the Public Health Service to today's Large Lakes Research Station, the Grosse Ile office has evolved to meet the needs of the nation. While its role has changed and its name should be updated to reflect its new mission, we agree with Congress that no regional office should be closed or consolidated, including Grosse Ile.

AFGE Local 704

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EPA previously had evaluated closing laboratories and determined that while ORD research efforts at Grosse Ile should be moved, the Station should remain in place to serve the community. A copy of a 2015 EPA briefing report on closure or consolidation of EPA laboratory facilities is enclosed. It seems the current Congressional intent is that the Grosse Ile facility remain in place as a satellite facility through FY 2018. Please advise as to the status of the Grosse Ile facility for FY 2018.

Sincerely,



Michael Mikulka, President
AFGE Local 704
312-886-6760

Enclosure

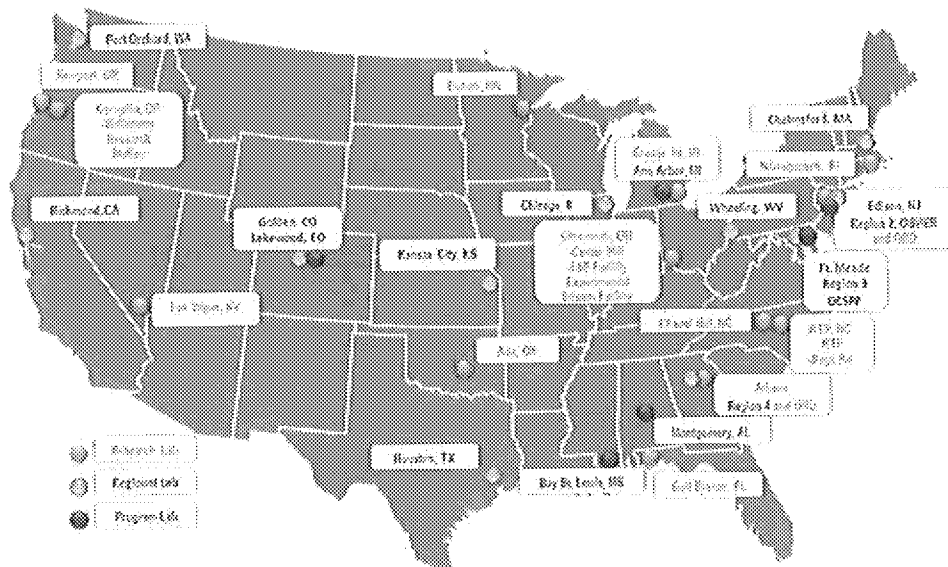
cc: Congresswoman Debbie Dingell, MI-12



Conclusion of the EPA Lab Study:
EPA Synthesis of Findings and Recommended Actions

Nanci Gelb, Acting Assistant Administrator, OARM

March 18, 2015





Briefing Objectives

- Describe EPA synthesis of findings and EPA recommendations
- Highlight decisions by the Administrator and Deputy Administrator
- Review stakeholder communication materials and timeline



The EPA Laboratory Enterprise

The EPA laboratory enterprise is comprised of three types of labs¹

- Regional Labs (11 facilities) have primary responsibility for providing scientific data in support of decisions by the Region's environmental programs, for addressing the comprehensive needs of the Regions, and for informing immediate and near-term decisions on environmental conditions, emergency response, compliance, and enforcement
- National Program Labs (4 facilities) have primary responsibility for implementing legislative mandates to develop and provide specific programs that support decisions for regulations, compliance, and enforcement at a national level
- Office of Research and Development Labs and Centers (19 facilities) have primary responsibility for developing knowledge, assessments, and scientific tools that underpin decisions about EPA's protective standards, risk assessments, and risk management decisions

¹ In 2012, EPA's "building footprint" included 141 buildings and facilities nationwide; 34 of these are laboratory facilities



4 EPA Lab Study Objectives

and the sources of expert guidance/analysis evaluated by EPA

1. Increase the effectiveness of lab science

- Independent expert advice from the National Research Council —Sept 2014 report

2. Increase the efficiency of lab facilities

- Expert analysis—Feb 2015 report by Smith Group JJR, an expert architecture and engineering firm with national experience in strategic planning for portfolios of lab facilities, including
 - A comprehensive, enterprise-wide evaluation of space utilization and facility condition
 - Benchmarks and scenarios developed to inform EPA selection of an optimal portfolio configuration

3. Retain the agency's ability to provide the preeminent lab research, science, and technical support critical to advance its mission.

4. Address Executive guidance and GAO recommendations to the Administrator

- Guidance from the President and OMB to the heads of all federal agencies to improve the cost-effectiveness of the federal facilities portfolio, reduce its footprint, and evaluate opportunities for consolidation and co-location
- GAO recommendations in 2 key reports GAO-11-347 (July, 2011) and GAO-12-542 (May, 2012)



General Conclusions

from the EPA synthesis of findings about the lab enterprise

1. EPA data indicate that science contributions from agency labs are aligned with agency programs and strategic goals
2. The potential savings from consolidating owned facilities is minimal. Savings may be realized by shifting from leased facilities to currently owned facilities, where owned capacity exists. The annual cost of lab leases continues to increase such that the enterprise-wide focus has to be on maximizing the usage of EPA's owned lab capacity
3. External benchmarking of EPA laboratory occupant density identified opportunities to use space at some facilities more efficiently
4. A breakdown of annual laboratory operating cost data indicates that the laboratory operating costs are about 10% of the agency's \$4.8 billion enacted budget (excluding State and Tribal Assistance Grants) for FY 2012
5. EPA now has the ability to quantify the investments needed to improve the facility condition index for our portfolio. EPA has documented the range of facility conditions across the portfolio and the cost to bring the laboratories to a recommended level of facility condition



EPA Actions to Improve Effectiveness

Consistent with NRC Findings in "Rethinking the Components, Coordination, and Management of the US EPA Laboratories"

- **The EPA laboratory enterprise should continue to function as an organized system comprised of 3 components—regional labs, program labs, and research labs—with a “one EPA” approach to helping the agency achieve its strategic goals**
 - Assistant Administrators & Regional Administrators should retain line management authority for their labs
 - Both EPA and the NRC report disagree with a GAO recommendation that the lab enterprise should be managed by a single individual
- **EPA laboratories should continue to plan their activities as integral components of their respective regional, national, and research programs**
 - Because EPA analysis of data about its FY2012 laboratory science contributions indicates that they are aligned with the agency’s strategic goals and programs, EPA should not create the separate “overarching issue-based planning process” recommended by GAO



EPA Actions to Improve Effectiveness

Consistent with NRC Findings in "Rethinking the Components, Coordination, and Management of the US EPA Laboratories"

- The Deputy Administrator should direct the Science Advisor to take the following actions
 - **Develop a vision** for the agency's laboratory enterprise to communicate why the lab enterprise is important and how it supports the agency mission and goals
 - **Charter a new permanent lab enterprise forum within the Science Technology Policy Council (STPC)**
 - **Strengthen systematic communication, coordination, and collaboration** across the EPA laboratory enterprise and with partners — using the criteria described in the NRC report to enhance effectiveness and efficiency
 - **Strengthen synergies with federal organizations** and with state/other agencies



EPA Actions to Improve Efficiency

- EPA should prepare portfolio-level and site-specific master plans to strategically assess specific needs, measure savings, and implement improvements as an integrated portfolio
- EPA should continue investing in physical infrastructure to improve the condition of the lab facilities
- The new STPC lab enterprise forum should continue to collect and analyze data about facilities, workforce, and operating costs for the lab enterprise



EPA Guidelines Used to Model the Portfolio of Lab Facilities

- To identify an optimal “footprint” for its portfolio of lab facilities, EPA evaluated a range of scenarios
- In all scenarios, EPA used a number of guidelines to model its portfolio of lab facilities, project their life-cycle costs over 30 years, and select an optimal footprint
 1. EPA followed OMB guidance in its Circular A-94 to estimate life-cycle costs and benefits
 2. Current EPA lab science capabilities will be retained, i.e. all lab science functions and workforce are preserved
 3. Labs with science functions that depend on aquatic ecosystems will be retained in their current locations
 4. Highly-specialized lab science capabilities will be retained in their current locations
 5. Full costs for relocation and environmental due diligence were included for all facilities considered for consolidation or co-location
 6. The pace of infrastructure improvements is constrained by EPA’s funds available for Building & Facility repairs and improvements for labs—about \$ 25 million/year



EPA Recommendations to Improve Efficiency

The following scenario is recommended for the EPA portfolio of lab facilities because it results in a footprint with optimal efficiency*

Renovate and upgrade 26 facilities + consolidate or co-locate 8 facilities:

1. Reproductive Toxicology Facility, NC** – Move to the nearby RTP, NC main building
2. Grosse Ile, MI** – Move lab activities to another location & designate Grosse Ile as a field station
3. Bay St. Louis, MS** – Move lab activities to Ft. Meade, MD.
4. Wheeling, WV** – Move lab activities to Ft. Meade, MD and designate Wheeling as a field station
5. Golden, CO - Terminate the lease for the Region 8 lab in Golden, CO and co-locate the lab activities with the NEIC in Lakewood, CO
6. Willamette Research Station – Move to the nearby Corvallis, OR lab facility
7. Athens, GA – Assess all options, including upgrades, co-location and/or consolidation, and maintaining the "as is" footprint
8. Chelmsford, MA – Assess all options, including upgrades, co-location and/or consolidation, and maintaining the "as is" footprint of the leased lab facility

* Optimal efficiency considers life-cycle costs & benefits within constraints imposed by EPA's budget for facility renovations & improvements

** These actions are underway and will be completed when the environmental due diligence procedures for each facility are finished



Potential Avoided Costs and Environmental Benefits

for the recommended scenario described in the previous slide

- **Impacts associated with the recommended scenario**
 - Reduction in laboratory footprint of approximately 338,000 gross FT²
 - \$11 million/year avoided costs by FY 2022
- **Over a 30 year life cycle, recommended actions could result in**
 - \$409 million in avoided costs
 - \$265.4 million in lease costs + \$143.6 million in O&M and R&I
 - Avoided GHG emissions of up to 105,000 metric tons of CO₂ equivalent



FY15 & FY16 Plans to Improve Efficiency

- **EPA is moving forward with the following plans and actions for its labs based on EPA's FY 2015 appropriation and the FY 2016 President's Budget**
 - FY2015: \$7.85M for design of a consolidated Las Vegas facility
 - FY 2016 President's Budget: \$10M B&F, \$1M S&T
 - Accelerate Region 8 lab consolidation to NEIC
 - Accelerate Willamette lab consolidation to Corvallis
 - Continue master planning to evaluate the business case for future actions
- **EPA will continue to work with OMB to identify additional opportunities as the FY17 President's Budget is developed**



Communicating Decisions by the Administrator and Deputy Administrator to Conclude the EPA Lab Study

- **A memo from the Deputy Administrator to EPA senior leaders will be distributed**
 - The memo announces the decision by the Administrator and Deputy Administrator to implement the recommendations in the EPA Synthesis Report
 - Distribution of the memo is planned for after this briefing, and will be shared
- **The EPA Synthesis Report will be available electronically**
 - The report will be available on the OSA internet and the OSA intranet
 - The intranet site (bit.ly/EPAlabstudy) will contain a Q&A to answer employee questions



Overview of Stakeholder Communication Timeline

• Internal

1. Brief EPA Managers—DRAs, DAAs, ARAs, RS&T Directors, all Lab Directors: March 9, 2015
2. Brief national union partners: March 18, 2015
3. Distribute Memo from the Deputy Administrator: planned for March 18, 2015
4. Next Steps with the Science and Technology Policy Council: March 19, 2015 meeting
5. EPA Intranet—continue to use the Lab Study intranet site (bit.ly/EPAlabstudy) — electronic copies of EPA synthesis report and Smith JJR report will be available from this site

• External

1. Offer briefings to Congress (House & Senate appropriators)
2. Brief OMB: TBD
3. Brief GAO: TBD
4. EPA Internet—electronic copies of EPA synthesis report and Smith JJR report will be available from the Science Advisor's internet site



Appendix

Overview of the EPA Laboratory Portfolio—FY2012 Data



Overview of the FY2012 EPA Lab Portfolio

34	Facilities
3,787,974 FT ²	Total "footprint," gross square feet (GSF) (34% of EPA's total facility footprint)
2,553,617 FT ²	Total useable square feet (USF)—e.g., labs, offices
2,260	EPA on-board personnel in lab space
1,400	EPA contractor personnel in lab space
\$450 M	Total annual operating costs — FY 2012

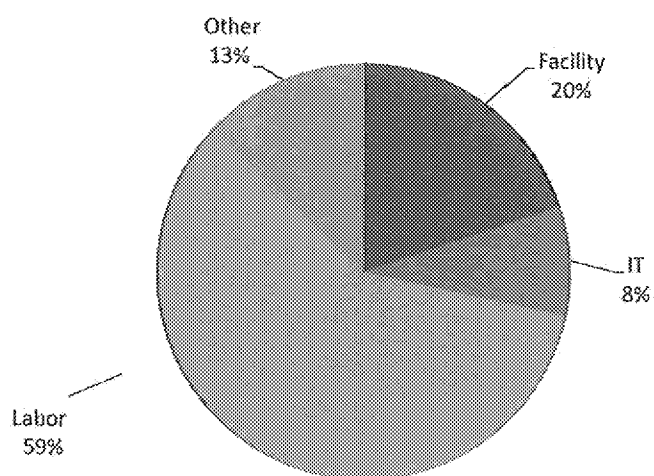
Number of facilities by ownership type	
EPA Owned	19
GSA Leased	8
EPA Leased	4
GSA Owned	2
Special Use Agreement	1
Total	34



Overview of the FY2012 EPA Lab Portfolio

Breakdown of annual operating costs — FY2012

\$ 450 M



Breakdown of on-board lab personnel — FY2012

	Federal	Non-Federal (Contractor)
ORD Labs	1,459	963
Regional Office Labs	480	279
Program Office Labs	322	126
TOTAL	2,261	1,368

